

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 16201
[Redacted],)	
)	DECISION
Petitioners.)	
_____)	

On October 9, 2001, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayers), proposing income tax, penalty, and interest for taxable years 1998 and 1999 in the total amount of \$15,665.

The taxpayers filed a timely appeal. They did not request a hearing and did not submit additional information. Therefore, the Tax Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

Because Tax Commission records showed the taxpayers met the state income tax filing requirements for the years in question, the Bureau attempted to contact the taxpayers for an explanation of why no Idaho returns had been filed. The taxpayers did not respond to the inquiry.

[Redacted]

[Redacted]

Idaho Code § 63-3045 (1)(a) states:

63-3045. Notice of redetermination or deficiency --

Interest. (1) (a) If, in the case of any taxpayer, the state tax commission determines that there is a deficiency in respect of the tax imposed by this title, the state tax commission shall, immediately upon discovery thereof, send notice of such deficiency to the taxpayer by registered or certified mail or by other commercial delivery service providing proof of delivery, whichever is the most cost efficient. The notice shall be sent to the taxpayer's last address known to the state tax commission. The notice of deficiency shall be accompanied by an explanation of the specific reason for the determination and an explanation of the taxpayer's right to appeal. Within sixty-three (63) days after such notice is mailed, the taxpayer may, at his option, file a protest in writing with the state tax commission and obtain redetermination of the deficiency.

The Bureau issued a Notice of Deficiency Determination. In response to the deficiency notice, [Redacted] sent a letter of appeal. He said he had made tentative payments for both years that would more than cover their entire Idaho income tax responsibility. He also said he would prepare the 1998 and 1999 returns within “the next 45 days.” When the Bureau did not receive the returns within the promised 45 days, a reminder letter was sent to the taxpayers. [Redacted] wrote back to say his schedule did not allow him to prepare the returns within the time he had promised, but he would “make every effort to get the returns completed for you as soon as possible.” That letter was the last communication received from the taxpayers.

The taxpayers’ file was transferred to the Legal/Tax Policy Division for administrative review. They did not respond to a letter from the Tax Appeals Specialist that advised them of their appeal rights.

Idaho Code § 63-3030 explains the income tax act:

63-3030. Persons required to make returns of income. (a) Returns with respect to taxes measured by income in this chapter shall be made by the following:

(1) Every resident individual required to file a federal return under section 6012(a)(1) of the Internal Revenue Code).

(2) Any nonresident individual having for the current taxable year a gross income from Idaho sources in excess of two thousand five hundred dollars (\$2,500), or any part-year resident individual having for the current taxable year a gross income from all sources while domiciled in or residing in Idaho, and from Idaho sources while not domiciled in and not residing in Idaho, which in total are in excess of two thousand five hundred dollars (\$2,500);

The taxpayers met the requirements for filing Idaho resident income tax returns for 1998 and 1999. [Redacted] received wages as an employee of a business known as [Redacted] [Redacted] was one of two partners who own that business.

The Bureau's determination of Idaho income tax due for 1998 and 1999 was based on sales and use tax reports submitted to the Tax Commission by the business and the wages received by [Redacted] as an employee of that business. Nothing has been submitted that would cast doubt on the Bureau's determination.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Com'n, 110 Idaho 572 (Ct. App. 1986). Having presented no information in support of his argument, the taxpayer has failed to meet his burden of proving error on the part of the deficiency determination. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

The tentative payments [Redacted] mentioned in his letter dated December 8, 2001 were identified in the records retained by the Tax Commission. The Bureau's calculations allowed credit for a \$4,000 payment against their 1998 Idaho income taxes. However, the other \$4,000 payment was not reflected in the Bureau's determination because, when the payment was received on April 18, 2000, it was applied as a tentative payment for the **2000** tax year rather than **1999**. To date, the \$4,000 tentative payment is still waiting for the 2000 Idaho return to be filed.

WHEREFORE, the Notice of Deficiency Determination dated October 9, 2001, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayers pay the following tax, penalty, and interest.

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1998	\$3,589	\$ 897	\$ 868	\$5,354
1999	7,560	1,890	1,278	<u>10,728</u>
			TOTAL DUE	<u>\$16,082</u>

Interest is computed through June 15, 2002.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of taxpayers' right to appeal this decision is enclosed with this decision.

DATED this ____ day of _____, 2002.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE BY MAIL

I hereby certify that I have on this _____ day of _____, 2002, served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted]
